

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

UNITED STATES OF AMERICA) DOCKET NO. 3:23-cr-48
v.) FACTUAL BASIS
GREG E. LINDBERG)

NOW COMES the United States of America, by and through Dena J. King, United States Attorney for the Western District of North Carolina and Glenn S. Leon, Chief, Criminal Division, Fraud Section, and hereby files this Factual Basis in support of the Plea Agreement filed simultaneously in this matter.

This Factual Basis is filed pursuant to Local Criminal Rule 11.2 and does not attempt to set forth all of the facts known to the United States at this time. By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea(s) that the defendant will tender pursuant to the Plea Agreement, that the defendant is in fact guilty of the charges contained in Counts 1 and 13 of the Indictment as alleged, and that the facts set forth in this Factual Basis are sufficient to establish all of the elements of the crime(s) beyond a reasonable doubt. The parties agree not to object to or otherwise contradict the facts set forth in this Factual Basis.

Upon acceptance of the plea, the United States will submit to the Probation Office a "Statement of Relevant Conduct" pursuant to Local Criminal Rule 32.4. The defendant may submit (but is not required to submit) a response to the "Statement of Relevant Conduct" within seven days of its submission. The parties understand and agree that this Factual Basis does not necessarily represent all conduct relevant to sentencing. The parties agree that they have the right to object to facts set forth in the presentence report that are not contained in this Factual Basis. Either party may present to the Court additional relevant facts that do not contradict facts set forth in this Factual Basis.

1. Defendant GREG E. LINDBERG (“LINDBERG”) held ultimate financial control and interest over multiple insurance companies, dozens of operating companies, and more than one hundred holding and pass-through entities (collectively, “Affiliated Companies”). One of LINDBERG’S holding companies, Southland National Holdings (“SNH”) was the holding company for his North Carolina-based insurance companies, including Colorado Bankers Life Insurance Company (“CBLIC”), Bankers Life Insurance Company (“BLIC”), Southland National Insurance Company (“SNIC”), and Private Bankers Life and Annuity Co., Ltd. (“PBLA”). LINDBERG also owned other insurance companies, including Omnia Ltd.; Northstar Financial Services (Bermuda) Ltd.; and PB Investment Holdings Ltd. During certain relevant periods, LINDBERG was the Chairman and on the board of his insurance companies and was a director of a Malta-based investment adviser that he owned, Standard Advisory Services Limited (“SASL”), which was registered with the United States Securities and Exchange Commission.

2. Nearly all of PBLA's business was related to a reinsurance agreement it entered into on or about June 30, 2017, with Universal Life Insurance Company ("ULICO"). ULICO was an insurance company with its principal place of business in Puerto Rico. As part of the PBLA-ULICO Reinsurance Agreement, PBLA established a ULICO 2017 Trust (the "ULICO 2017 Trust") and a separate Comfort Trust Account (the "ULICO Comfort Trust"). The PBLA-ULICO Reinsurance Agreement set forth numerous requirements governing the types of investments that could be made in the ULICO 2017 Trust and the Comfort Trust and the periodic reporting and certification that PBLA had to make to ULICO concerning the assets in these accounts.

3. From no later than 2016 through at least 2019, LINDBERG and others conspired to commit various offenses against the United States, specifically crimes in connection with insurance business, wire fraud, and investment adviser fraud. LINDBERG also conspired with others to engage in monetary transactions affecting interstate and foreign commerce of more than \$10,000, which involved the proceeds of various specified unlawful activities, knowing that the funds involved in the monetary transactions represented the proceeds of some form of unlawful activity.

4. LINDBERG knowingly and willfully joined each conspiracy with an intent to further its objects, i.e., (1) to commit offenses against the United States, specifically violations of 18 U.S.C. §§ 1033, 1343, and 15 U.S.C. §§ 80b-6 and 80b-17; and (2) to engage in monetary transactions in property derived from specified unlawful activities in violation of 18 U.S.C. § 1957.

5. To carry out the conspiracies, LINDBERG and others engaged in circular, non-economic transactions among LINDBERG's web of entities using insurance company funds, and made, and/or caused to be made, various materially false and misleading statements, representations, and half-truths to, and omitted material information from, the North Carolina Department of Insurance, various ratings agencies, ULICO, insurance policyholders, and others regarding these transactions.

6. LINDBERG's conduct caused substantial financial hardship to his insurance companies, to third parties like ULICO, and to policyholders. As a result, certain of LINDBERG's insurance companies were placed in rehabilitation and PBLA was placed into liquidation.

7. In furtherance of the conspiracies, and to accomplish the objects thereof, LINDBERG and his co-conspirators each committed one or more overt acts in the Western District of North Carolina and elsewhere.

DENA J. KING
UNITED STATES ATTORNEY


DANIEL RYAN
ASSISTANT UNITED STATES ATTORNEY


TAYLOR STOUT
ASSISTANT UNITED STATES ATTORNEY

GLENN S. LEON
CHIEF
CRIMINAL DIVISION, FRAUD SECTION

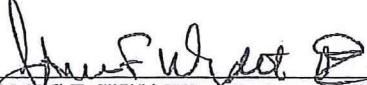

LYNDIE FREEMAN
TRIAL ATTORNEY
CRIMINAL DIVISION, FRAUD SECTION

Defendant's Counsels' Signatures and Acknowledgments

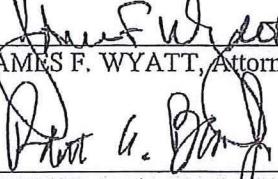
We have read this Factual Basis, the Bill of Indictment, and the Plea Agreement in this case, and have discussed them with the defendant. Based on those discussions, we are satisfied that the defendant understands the Factual Basis, the Bill of Information, and the Plea Agreement. We hereby certify that the defendant does not dispute this Factual Basis.


BRANDON N. McCARTHY, Attorney for Defendant

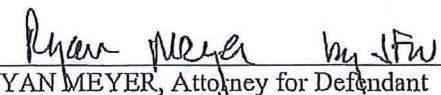
DATED: 11/11/24


JAMES F. WYATT, Attorney for Defendant

DATED: 11/11/24


ROBERT ADAMS BLAKE, JR., Attorney for Defendant

DATED: 11/11/24


RYAN MEYER, Attorney for Defendant

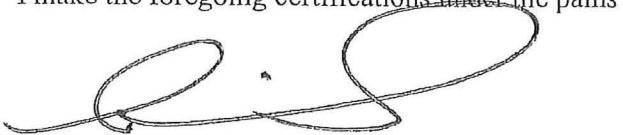
DATED: 11/11/24

CERTIFICATION OF DEFENDANT

I have read this Factual Basis, the Bill of Indictment, and the Plea Agreement in this case, and I have carefully reviewed every part of them with my counsel. I understand the content of this Factual Basis, and I do not dispute any of the facts contained in it. My counsel has fully advised me of my rights, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into Plea Agreement and signing this Factual Basis.

I further certify that I have read the Bill of Indictment filed in this matter, and I admit to being guilty of the charges set forth in Counts One and Thirteen of the Bill of Indictment.

I make the foregoing certifications under the pains and penalties of perjury.



GREG E. LINDBERG, Defendant

DATED: 11/11/24